



DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
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SPAWARINST 12430.1
SPAWAR 07-2
19 March 1998

SPAWAR INSTRUCTION 12430.1

From: Commander, Space and Naval Warfare Systems Command

Subj: DEMONSTRATION PROJECT PERFORMANCE APPRAISAL SYSTEM

Encl: (1) Performance Planning/Appraisal Form, SPAWAR Form 12430/1
(2) Request For Performance Rating Reconsideration (Format)
(3) Performance Appraisal Procedures
(4) Demonstration Project Performance Appraisals for Special Cases

1. Purpose. To establish the SPAWAR Demonstration Project performance appraisal system, define applicability of the system, establish system objectives, assign responsibilities, and set forth Office of Personnel Management (OPM) approved performance ratings used in the Demonstration Project.

2. Coverage. This instruction is applicable to all permanent employees of SPAWAR, Program Executive Office for Space, Communications and Sensors (PEO-SCS) and SPAWAR System Centers currently in the Demonstration Project.

3. Definitions. The following terms are defined as used in this instruction.

a. Appraisal System. A system established which provides for establishment of performance objectives/standards, identification of critical elements, communication of standards to employees, establishment of methods and procedures to appraise performance against established standards, and appropriate use of appraisal information in making personnel decisions.

b. Performance. An employee's accomplishment of assigned duties and responsibilities.

c. Appraisal. Comparison of an employee's performance of duties and responsibilities with performance objectives/standards, considering such factors as degree of achievement of performance objectives/standards and total performance.

d. Performance Objectives/Standards. The expressed measure of the level of achievement established by management for the duties and responsibilities of a position. Performance objectives/standards may include, but are not limited to, elements such as quantity, quality, and timeliness.

e. Total Performance. The complete picture of how well an employee performed assigned duties and responsibilities, including how well day-to-day or unexpected assignments are met, teamwork, attitude, attendance, etc.

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f. Critical Element. A component of an employee's job that is of sufficient importance that performance below the acceptable standard would require remedial action and may be the basis for removing or reducing the level of that employee. Such action may be taken without regard to performance on other elements of the job. Unless otherwise noted, all performance elements are considered critical.

g. Appraisal Period. The period of time (beginning 1 July of each year and ending 30 June of the following year) for which an employee's performance will be reviewed.

h. Employee. An individual employed by the SPAWAR claimancy and PEO-SCS who is included in the Demonstration Project and is a permanent employee.

i. Unacceptable Performance. Performance of an employee which fails to meet established performance objectives/standards in one or more critical elements of the employee's position.

j. Performance Rating. The rating assigned to an employee, based on the employee's achievement on objectives and total job performance. An employee's performance may be rated one of the following:

Outstanding
Superior
Successful
Marginal
Unacceptable

4. Background. The Demonstration Project Plan was approved by the Office of Personnel Management (OPM) on 9 April 1980. The performance appraisal system is a key feature of the project, follows the general pattern of systems acceptable to OPM, and is compatible with the pay and classification systems. The basic objectives of this performance appraisal system are to ensure that quality work performance reflects the needs, policies, and goals of SPAWAR and is recognized and rewarded in an appropriate manner.

5. Policy. It is the policy of SPAWAR to provide opportunities for employees to meet and exceed their performance objectives and receive appropriate recognition based on their contributions to SPAWAR and the Navy. The Demonstration Project performance appraisal system is designed to ensure that:

- a. Proper performance requirements are made known to all employees.
- b. Performance is properly appraised in relation to such requirements.
- c. Employees are kept currently advised of their performance and promptly notified of their ratings.

d. Official performance appraisals are used as a basis for training, rewarding, reassigning, promoting, reducing in level, retaining, and removing employees.

6. Performance Planning and Appraisals (PP/A). All supervisors are responsible for planning and appraising the performance of their immediate subordinates. This responsibility includes:

a. Setting Performance Objectives/Standards. Performance objectives/standards should be:

(1) Consistent with the duties and responsibilities contained in the employee's level of difficulty and type of work described in the official Level/Specialty Designator.

(2) Consistent with the mission and function of the organization and specific management objectives.

(3) Attainable and exceedable.

(4) Documented on the PP/A Form SPAWAR 12430/1, enclosure (1), and made known to the employee at the beginning of the rating period.

(5) Approved by the next higher level of supervision except where the activity head is the immediate supervisor.

b. Performance Discussion. In addition to the day-to-day informal evaluation and discussion of an employee's performance (progress on objectives/standards and total performance), the immediate supervisor must discuss each employee's performance with that employee at least at 6-month intervals. The purpose of the midterm discussion is to:

(1) Review the employee's progress in achieving established objectives/standards.

(2) Update/modify objectives/standards as necessary.

(3) Identify potential problem areas and advise the employee of these problems and of the corrective action to be taken.

(4) Provide recognition to employees in areas where performance goals are being met.

7. Review and Approval.

a. At the end of the appraisal period, the immediate supervisor will:

(1) Discuss with the employee the degree of accomplishment of objectives/standards and the quality of the employee's total performance.

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(2) Set and communicate objectives/standards for the coming appraisal period with the employee.

(3) Submit the employee's recommended rating for review and approval.

(4) Upon approval, inform the employee of the rating.

b. Approving Officials. Authority to approve performance ratings follows:

COMMAND/ ACTIVITY	APPROVAL OFFICIALS
SPAWAR	Commander Deputy Commander Vice Commander Staff Office Heads Directorate Heads Program Directors
PEO-SCS	Program Executive Officer Deputy PEO Assistant Deputy PEO/Chief Engineer Program Managers
SPAWAR Systems Center Charleston SC	Commanding Officer Executive Director Staff Office Heads Department Heads
SPAWAR Systems Center Chesapeake VA	Commanding Officer Technical Director Directorate Heads
SPAWAR Systems Center San Diego CA	Commanding Officer Executive Director Deputy Executive Director for Corporate Operations Executive Officer Department Heads

8. Reconsideration of Performance Ratings.

a. A request for reconsideration of a performance rating must be in writing; contain sufficient detail to identify and clarify the basis for the request; and provide evidence to support all claims. The format shown in enclosure (2) should be used. As long as there is no conflict of interest, employees may identify someone who has agreed to act as their representative to

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assist in pursuing their reconsideration request. Bargaining unit employees may only be represented by their exclusive representative. Allegations that a performance rating was based on prohibited discrimination, such as race, color, religion, sex, national origin, age, physical or mental handicap, may not be processed through the reconsideration process, but will be processed through Equal Employment Opportunity discrimination complaint procedures and not through this reconsideration procedure.

b. Reconsideration requests must be submitted to the cognizant deciding official via the onsite Labor/Employee Relations Office or Civilian Personnel Support Office (CPSO), as appropriate. At SPAWAR Headquarters, PEO-SCS, and SPAWAR Systems Center San Diego, the reconsideration requests are submitted to the deciding official via the Labor/Employee Relations Office. At SPAWAR Systems Center Charleston and SPAWAR Systems Center Chesapeake, the reconsideration requests are submitted to the deciding official via the CPSO. The deciding official is one level higher than the official who approved the performance rating unless the deciding official is the head of the activity. All documentation, including a copy of the final PP/A form upon which the rating was based, must be provided to the appropriate office no later than 15 days after receipt of a performance rating. Bargaining unit employees must use their negotiated grievance procedure for performance reconsiderations unless such matters are excluded from its coverage. If excluded, the performance reconsideration procedure herein applies.

c. The Deputy Commander, Program Executive Officer or the cognizant Executive Director/Technical Director or designee may appoint a fact finder to investigate the matter and develop a report. The fact finder will gather relevant information from the employee, each supervisory level through the level that approved the original rating, and any other sources deemed appropriate. The fact finder will then prepare a written summary of the situation, identifying the issues and facts that support or refute each claim, and submit the findings to the appropriate management official via the Employee/Labor Relations Office/CPSO. A copy of the fact finder's report will be given to the employee's senior management official as well as to the employee.

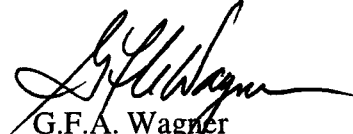
d. A final written decision will be issued by the appropriate Deciding Official.

e. In cases where the reconsideration request results in a decision to raise the performance rating to a higher level, management will determine on a case-by-case basis the nominal points awarded to the employee. See SPAWARINST 12530.1A Demonstration Project Pay System, to determine if continuing or bonus points are appropriate to each case.

f. All files pertaining to performance rating reconsiderations shall be maintained in the onsite Employee Relations Office/CPSO.

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9. Procedures. The procedures outlined in enclosure (3) will be used in implementing this instruction. Enclosure (4) sets forth SPAWAR policy and procedures for application of this plan under special circumstances.
10. Action. The Director, Human Resources Programs, Code 07-2 is responsible for keeping this instruction current.



G.F.A. Wagner
Rear Admiral, U.S. Navy

Distribution:
SPAWAR List 3
SNDL Part II:
FKQ (SPAWARSYSCEN's)
PEO-SCS

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Enclosure (1)

RATING RECONSIDERATION FORM

(Date)

MEMORANDUM

From: (Name) (Position) (Level) (Code)
To: Deputy Commander, Assistant Deputy PEO, or Executive Director, as appropriate
Via: Labor/Employee Relations Office or CPSO

Subj: REQUEST FOR PERFORMANCE RATING RECONSIDERATION

Rating received:

Rating requested:

Pre-rating salary:

Immediate supervisor:

1. (Describe briefly why you feel that the rating you received was incorrect. Attach to this memorandum any supporting evidence you care to submit; e.g., reports, sketches, affidavits, regulations, photographs, etc.)

(Signature)

PERFORMANCE APPRAISAL PROCEDURES

1. Performance Planning and Appraisal. The initial task in planning and appraising performance is setting performance objectives. The following material is a guide for setting objectives/standards, reviewing, and appraising performance.

a. Planning. Performance should be planned around the basic requirements of the Level/Specialty Descriptor (L/SD). The L/SD describes a broad level of difficulty and responsibility within which an employee may satisfactorily perform. Performance planning is a joint effort. Its success depends largely on communications between the supervisor and the employee. Absolute agreement on what the objectives/standards will be is not required. If the employee and supervisor cannot agree during the planning, the employee may document any concern over or disagreement with an objective/standard for possible mitigation in subsequent review and evaluation. The second level supervisor will resolve the matter. Once the supervisor has defined expected results, they are documented on the Performance Planning/Appraisal, form SPAWAR 12430/1.

The level and detail of documentation need only satisfy the employee and supervisor; brevity is encouraged. Expected results are defined specifically for the individual, not for the position. The expected results defined for the rating period are used to establish the basis for comparing the employee's actual accomplishments to the performance plan at the end of the rating period. Each supervisor has the responsibility to decide what the expected results will be. Generally, three to five objectives should be established which encompass most or all of the expectations for an employee's performance. Supervisors will also have an objective involving the Equal Employment Opportunity Program. The second level of supervision will approve the employee's performance objectives.

b. Scheduled Performance Discussion

(1) Step 1. Mid-term Review. This is an informal discussion at about the midpoint of the performance period with reference to established standards and overall job requirements (total performance). This discussion should focus on the specific objectives, their continuing utility, progress, milestones, and areas where help is needed. Corrective action where performance is not satisfactory may be taken at this time, but also at any time the performance is noted to be deficient.

(2) Step 2. Planning the Year-end Performance Review Discussion. Initially, both supervisor and employee should review independently the objectives/standards, work environment, and overall job requirements. Both should prepare to jointly stipulate objectives/standards that were clearly accomplished or not accomplished, special accomplishments, resource and environmental difficulties.

(3) Step 3. Year-end Discussion. At the end of the appraisal period, the supervisor should obtain input as necessary from sponsors, project managers, customers, etc. The supervisor and employee will meet and, using the Performance Planning/Appraisal form as a basis, hold a factfinding discussion about total performance and each objective/standard to ensure that the supervisor has the information needed to determine whether the employee: 1) met expectations

for fully acceptable performance; 2) exceeded expectations; or 3) did not meet expectations. Where there are different perceptions, record them if either feels they are critical. A statement of the achievements is entered in the "achievement" column of the Performance Planning/Appraisal form for each objective, and the form is initialed and dated by the employee and the supervisor. No rating or written documentation for a rating is made at this time, as further reviews must follow. During this discussion or in a separate one, objectives/ standards and critical elements for the coming appraisal period are set and communicated to the employee.

(4) Step 4. Appraisal of Performance. After the factfinding discussion, the supervisor will review all information applicable to this employee and submit a recommended rating to the next level of supervision for review along with the Performance Planning/Appraisal form, showing objectives, notes on achievements, etc. Recommendations should be made considering such factors as: 1) degree of achievement of the objectives/standards and performance elements and 2) total performance. The reviewing official will review and forward for final approval, as appropriate .

(5) Step 5. Final Approval/Documentation. Final approval will be confirmed by a Notification of Rating letter documenting the employee's total rating and if applicable, resulting pay increase or bonus.

2. Appraisal Period. The official performance rating is an objective evaluation of performance over a 12-month period ending 30 June. Official ratings will be used to establish the amount of salary increase or bonus, if any, an employee will receive for the coming year and will be given to all permanent employees who are on the rolls on 30 June. Limits on eligibility for certain ratings are described in enclosure (4).

3. Exemptions and Deferred Ratings. The annual performance rating is not given:

a. To an employee who is serving on a temporary or excepted appointment which is limited to 1 year or less.

b. During a 30-day notice of proposed action to remove or downgrade for unsatisfactory performance or when such action is taken pursuant to the notice. The performance rating will be deferred by a performance rating warning when necessary to afford the employee the required opportunity to demonstrate satisfactory performance and is further deferred if the warning period is extended.

4. Record Keeping and Audit Procedures. The Notification of Rating letter and if applicable, Notification of Personnel Action, SF-50, will be used to document the employee's rating and resultant pay action. The original of the PP/A form will be provided the employee with the Notification of Rating letter. Copies of the PP/A form will not be retained in the employee's Official Personnel Folder (OPF). The immediate supervisor must retain a copy of the PP/A form and the rating notification letter for a period of 4 years in a separate Employee Performance Folder (EPF). These forms must be stored and safeguarded as required by the Privacy Act, PL 93579. When an employee leaves the employing activity, the EPF is forwarded to the cognizant CPSO to be included in the employees OPF. PP/A forms and other documentation needed in

connection with administrative, quasi-judicial, or judicial proceedings will be retained by the onsite Employee/Labor Relations Office or CPSO, as long as necessary beyond the time limits specified above.

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DEMONSTRATION PROJECT PERFORMANCE APPRAISALS FOR SPECIAL CASES

1. Academic Study Awards

a. Full Time Long Term Training (LTT). At least one objective/ standard is to be established relative to LTT assignments. Long Term Training is defined as training which is more than 120 consecutive work days in duration. Employees are not eligible to receive either of the two higher ratings at the end of the appraisal period.

b. Half Time. Objectives/standards are established for normal work assignments. It is recommended that one objective/standard be established which relates to successful completion of the applicable academic program. The year-end appraisal will then look at how the employee completed this objective along with normal work objectives, and the employee may be rated at any of the five levels of the official rating.

2. Temporary Employees. Employees whose appointments are limited to 1 year or less need not have objectives/standards set and will not receive formal performance ratings. If these employees are on the rolls on the date of the annual comparability increase, they will receive this increase.

3. Entrance Into the Demonstration Project or Permanent Promotion. An employee who entered the Demonstration Project or who was permanently promoted to a higher level in the Demonstration Project must have more than 90 days of performance at the current level to receive either of the two higher ratings.

4. Change of Supervisor or Employee Reassignment During Appraisal Period. The new supervisor may set new objectives/standards, or keep or modify existing objectives/standards, as appropriate. The new supervisor should collect previous objectives and the extent of accomplishment from the former supervisor. The employee's degree of accomplishment relative to previous and current objectives/standards is assessed at the end of the appraisal period. If the employee has more than 90 days of performance at their current level, the employee may receive any of the five performance ratings for total performance.

5. Details to Other Positions. If an employee is detailed for more than 30 days, objectives/standards should be modified to include at least one objective relative to detail assignment and allow for any necessary changes to original objectives. The supervisor of the detailed employee's permanent organization is responsible for modifying objectives and getting performance data from the supervisor to which detailed. With this information, the permanent supervisor will accomplish the performance review and recommend a rating at the end of the appraisal period.

6. Temporary Promotions. Objectives must be set. At the completion of temporary promotions, a management decision will determine whether "highest previous rate" (HPR) or a portion of HPR will be awarded as a continuing salary increase at the lower level. Eligibility for performance appraisal is as follows:

a. Employees on temporary promotions at the end of the rating period who have completed more than 90 days at the higher level are eligible for any of the five Demonstration Project performance ratings.

b. Employees whose temporary promotions expire on or before the end of the rating period:

(1) If returned to the lower level position more than 90 days before the end of the rating period, employees are eligible for any of the five performance ratings for total performance at the end of the rating period.

(2) If returned to the lower level position 90 days or less before the end of the rating period, employees are not eligible to receive either of the two higher ratings.

7. New Professionals. Work assignments are developed and documented per the New Professional (NP) development procedures of the respective activities. Performance will be rated in accordance with appropriate procedures of those plans/programs.

8. Non-pay Status. This includes leave without pay, military leave, and any other approved non-pay leave status. Employees in a pay status for 90 days or more at any time during the performance year are eligible for any of the five ratings.

SPECIAL CASES

Category	Establish Objectives/ Standards	Eligible For Rating	Eligible for Either of the Two higher Performance Ratings	Eligible for Comparability	Comments
New/Changed Supervisor	Set, keep, or modify	Yes	Yes	Yes	Consider previous supervisor's input
Employee Reassigned	Set or modify	Yes	Yes	Yes	Consider previous supervisor's input
Details					Permanent supervisor appraises with detail supervisor's input
a. 30 days or more	Yes (modify)	Yes	Yes	Yes	
b. Less than 30 days	No	Yes	Yes	Yes	
Temporary Promotions					
a. On temporary promotion 30 June:					
(1) More than 90 days	Yes	Yes	Yes	Yes	At completion, management decision whether highest previous rate or portion thereof
(2) 90 days or less	Yes	Yes	No	Yes	
b. Temporary promotion terminated on or before 30 June:					
(1) Return to lower level 90 days or less	Yes	Yes	No	Yes	
(2) Return to lower level more than 90 days	Yes	Yes	Yes	Yes	
Academic Study:					
a. Full Time (LTT)	At least one	Yes	No	Yes	
b. Half Time (GAP/UGAP)	At least one plus work objective	Yes	Yes	Yes	
Temporary (one year or less)	No	No	No	If on rolls at payout	
Enter Demo Project or Permanent Promotion					
a. 90 days or less	Yes	Yes	No	Yes	
b. More than 90 days	Yes	Yes	Yes	Yes	
New Professionals/Upward Mobility					
a. On rotational training assignment on 30 June	Yes	Yes	No	Yes	
b. On permanent work assignment 90 days or less on 30 June	Yes	Yes	No	Yes	
c. On permanent work assignment more than 90 days on 30 June	Yes	Yes	Yes	Yes	